

## Message Text

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13

ACTION EA-07

INFO OCT-01 ISO-00 EB-05 XMB-01 RSC-01 DRC-01 /016 W

----- 123350

R 120740Z JUN 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 4256

INFO USDOC WASHDC

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EO 11652: N/A

TAGS: BEXP, KS

SUBJ: PROPOSED GENERAL ELECTRIC INVESTMENT IN CHANG WON  
HEAVY ELECTRICAL EQUIPMENT PROJECT

PASS EXIMBANK

REF: STATE 116980

1. GENERAL ELECTRIC (GE) REPRESENTATIVES ANNIN AND SFIKAS CALLED ON ROK OFFICIALS JUNE 7 TO DISCUSS POSSIBLE GE INVESTMENT IN CHANG WON PROJECT. EMBASSY ORIGINALLY SCHEDULED CALL ON O, WON CHOI, SECOND SENIOR SECRETARY FOR ECONOMIC AFFAIRS AT BLUE HOUSE. LATER VISIT WITH DEPUTY PRIME MINISTER TAE, WAN SON WAS ADDED BY SECRETARY O TO GIVE EVIDENCE OF HIGH LEVEL ROKG INTEREST IN ATTRACTING U.S. INVESTORS TO SUBJECT PROJECT.

2. SESSION WITH SECRETARY O WAS FAST-PACED AND CONSTRUCTIVE. GE REPRESENTATIVES HAD DONE THEIR HOMEWORK BUT DYNAMIC, FORCEFUL APPROACH OF O STILL LEFT THEM SOMEWHAT SURPRISED. GE WAS PREPARED TO DISCUSS INVESTING IN MARINE BOILERS AND INDICATED THEY HAD UNDERTAKEN TENTATIVE JOINT VENTURE TALKS WITH KOREA SHIPBUILDING FIRMS, HOWEVER, SECRETARY O WANTED THEM TO ADD ELECTRICAL MACHINERY PLANT TO INVESTMENT PACKAGE AND EVEN OFFERED, AFTER PRODUCING A LAYOUT OF CHANG WON, TO LET THEM SELECT PLANT SITE ON THE SPOT. HE INSISTED THAT GOVERNMENT

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MUST HAVE CHANG WON PLANTS IN PRODUCTION BY 1977, AND

INDICATED PREFERENCE FOR EXIMBANK FINANCING. GE OFFICIALS POINTED OUT THEY HAD NOT HAD TIME TO RESEARCH POSSIBILITY OF INVESTING IN ELECTRICAL MACHINERY PLANT BUT PROMISED TO SEND TEAM TO CONDUCT FEASIBILITY STUDY. GE OFFICIALS ASKED, FURTHERMORE, THAT INVESTMENT PLANS ON MARINE BOILER PLANT BE ALLOWED TO PROCEED MEANWHILE. SECRETARY O SUGGESTED FEASIBILITY STUDY IN BOTH AREAS.

3. VISIT WITH DEPUTY PRIME MINISTER TAE WAN SUN WAS SHORT AND BLAND IN SUBSTANCE BUT ACHIEVED GOAL OF IMPRESSING GE REPRESENTATIVES WITH IMPORTANCE OF CHANG WON PROJECT TO HIGH LEVELS OF ROKG.

4. CHANG WON ELECTRICAL MACHINERY PROJECT WAS NOT DISCUSSED DURING VISIT OF KENNEDY MISSION.

5. GE SEEMS TO HAVE GOTTEN CORPORATE FOOT FIRMLY IN DOOR BY RESPONDING QUICKLY TO OPPORTUNITY DISPENSED EQUALLY TO WESTINGHOUSE. THOUGH SECRETARY O SPOKE OF POSSIBLE JAPANESE COMPETITION, WE BELIEVE ROKG KEEPING FIELD OPEN FOR U.S. COMPANIES AT LEAST INITIALLY.

6. EMBASSY HAS YET TO HEAR FROM WESTINGHOUSE.  
HABIB

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Reference:** STATE 116980  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2002 by kelleyw0>; APPROVED <19 FEB 2003 by izenbei0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED GENERAL ELECTRIC INVESTMENT IN CHANG WON HEAVY ELECTRICAL EQUIPMENT PROJECT  
**TAGS:** BEXP, KS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005